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Barnes, Julius Howland

America's conquest of
poverty

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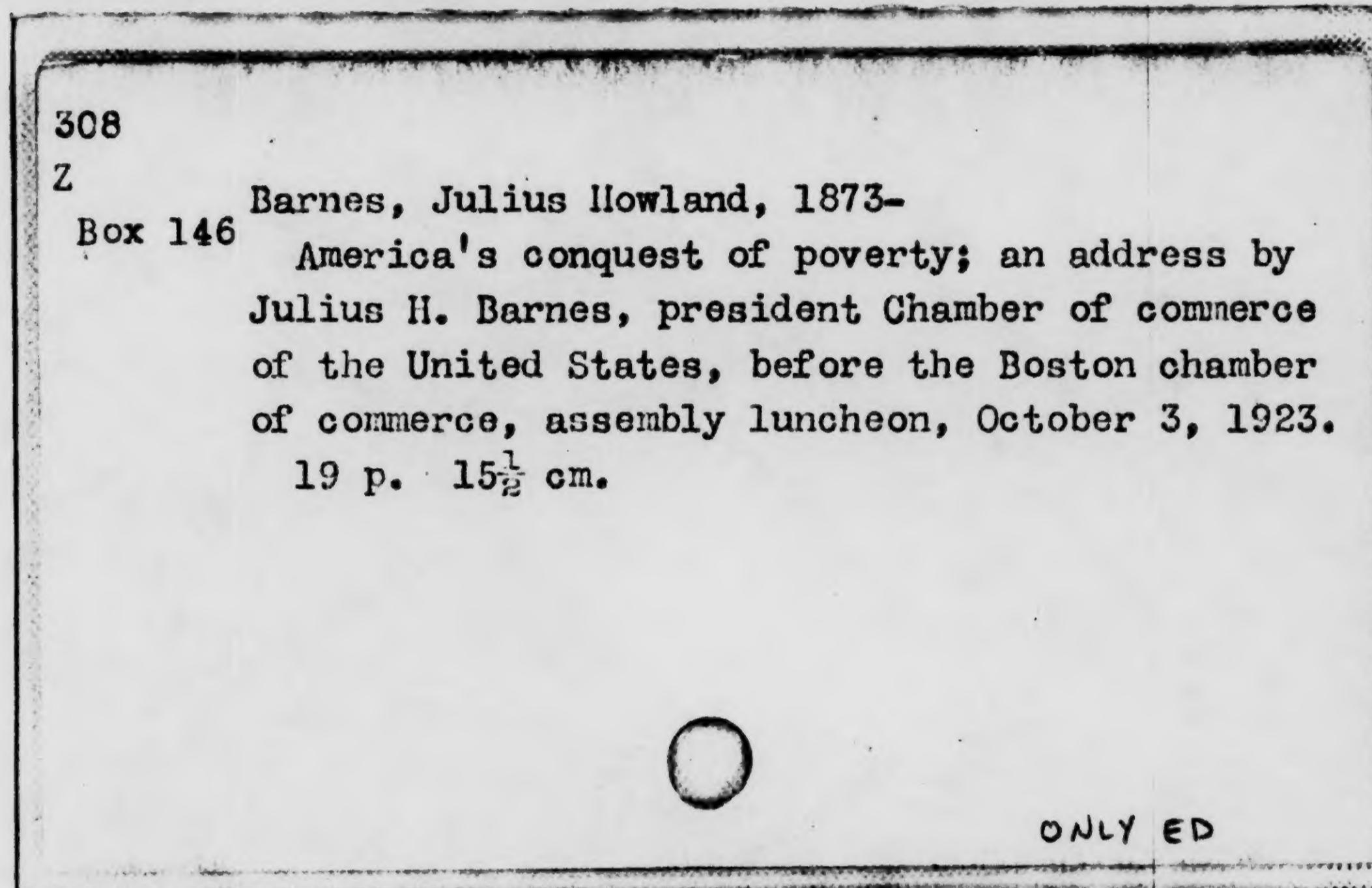
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America's Conquest of Poverty

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JULIUS H. BARNES

PRESIDENT

CHAMBER of COMMERCE

of the

UNITED STATES

America's Conquest of Poverty

An Address by

JULIUS H. BARNES

PRESIDENT

CHAMBER *of* COMMERCE
of the
UNITED STATES

Before the
Boston Chamber of Commerce,
Assembly Luncheon,
October 3, 1923



Gift of
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Dec. 4, 1927
Chas. A. L.

America's Conquest of Poverty

The history of these New England Colonies is the inspiration of America. Here in the old Bay State especially, should be a solemn pride that the settlers of this Colony laid broad and wide the foundation for the political and social structure which has become also the inspiration of the greater World. American youth still thrills, and always will, to the names which have by everyday association become almost the commonplace of your lives. Plymouth Rock, the Boston Common, Bunker Hill, and Lexington—these are still names potent to crystallize the ideals and harden the purpose of coming generations of Americans.

America owes much to its heritage of qualities which sent the pioneers of the Old World to these rocky coasts; qualities of individual initiative, independence, resourcefulness, impatience against artificial political and social restraints on the able and ambitious.

These are the qualities which manifest themselves in American leadership today, and for which the three thousand miles expanse of America owes much to its New England source.

We can not forget either that these men who helped to found this great Republic possessed an ingrained aspiration for education and intellectual training and culture which flowered into the universal public school system of America. To the ten generations of child schooling, springing naturally from that soil, America owes much of its leadership today in the intricate processes of industry which require relatively high mentality. We acknowledge the debt of America to this, the home of the oldest University on the new Continent. Its high standards of training, in knowledge and in character, and the continued stream of men who are the product of such standards diffused into the life of America, have had much to do with the extraordinary material accomplishment in America and the high idealism with which that materialism has been directed. We realize also that New England habits of industry and of thrift have stamped themselves upon the American people, even while New England itself has become the investment reservoir on which American industries largely rely for their expansion.

These are precious possessions, these characteristics and the history from which they spring, and it is because America owes so large a debt to these Colonies — the source and origin of so much that is typically American — that I wish to present to you here, an idea and a conviction which, if it rings true, should prove an additional inspiration to you who hold the inheritance of this history.

Here is a Republic with a relatively short National history of a century and a half, entrusted with the natural resources of a continent, and that continent open to the development of the White race barely three short centuries. In that three centuries, American energy and skill and character have so faithfully administered the talents entrusted to them in this new continent, that in three centuries there has been an accumulation of National wealth exceeding three hundred billion dollars, with its nearest rival, the British Empire, with ten centuries of accumulated effort, reaching the aggregate of one hundred and seventy billion.

We may acknowledge with due humility the great favors of Nature in natural resources, but so too, other peoples and other continents have had forests and fields and mines, and yet failed to approach the translation of those favors of

Nature into the service of human needs.

We may acknowledge also the advantage of a freedom from habits and prejudices that stifle experimentation and reduce the ventures of enterprise and ambition, yet we may still claim with a proper pride that we have surely blazed wide and smooth our own way of development, made possible by that freedom.

There is surely something of great and solemn meaning that one hundred and ten million people, with this short national history, have made the high marks in human progress which we have a right to claim.

The total population of the world may be classified about like this: In North America—in the United States and Canada — one hundred and twenty million people, with a high standard of living and an advanced social and political philosophy. In other Continents, perhaps three hundred million people whose standards of living, whose culture and aspirations may well be classed as similar to our own. Then, two hundred million people who have left definitely the status of primitive people and are beginning to acquire, in shelter, clothes and food, in living possessions and living habits, something of those things which stamp an advancing

living standard. And then we have besides, in this great World, the vast aggregate of twelve hundred millions of people living just above the edge of simple barbarism; people who need clothes and shoes and better housing, and a thousand necessities and comforts, who need the surroundings and the habits which lessen illness and defer death; people who need, more than all else, the intellectual stimulation which develops mentality, and, with it, the ability to create, to preserve, to acquire, and to use.

Now, when you picture these vast eighteen hundred millions of human beings, inevitably progressing along the road which leads ultimately to living standards something like our own, you get a picture of the vast amount of human activity and enlightened leadership, which will be called into action with increasing urgency and increasing effectiveness.

And when we have this picture of eighteen hundred millions of people, moving, with blind and halting steps, to be sure, along the road which leads to individual happiness, security and content, we have the inspiration of a vision, great indeed, if we may claim, justly, that America will be the pioneer that opens wide the path for these advancing hordes.

Surely it is a picture to fix the imagina-

tion and to harden the purpose, that America with five per cent. of the world population, should show these indicators of a leadership in the translation of the natural resources of the world into the forms of human service.

For instance,—

Coal is the power basis for almost all industry which makes this translation into articles of human use; and in coal, this five per cent. of the world's population produces, for the service of industry, forty-three per cent. of the world production, and consumes forty-two per cent.

Iron and steel have proved to be the accurate indicator of advancing living standards in the history of the last two generations, and this five per cent. of world population produces, in iron fifty-four per cent. of the world total, and consumes fifty-three per cent.; in steel, produces sixty-four per cent., and consumes fifty-seven per cent.

In **copper**, we produce forty-nine per cent., and consume forty-four per cent. of the world's total.

In **petroleum** we produce sixty-four per cent., and consume seventy-two.

In **cotton**, we produce sixty-nine per cent., and consume thirty-seven.

Timber, we produce fifty-two per cent., and consume fifty-one.

Shoes, we produce forty-one per cent., and consume thirty-nine.

In **printing-paper**,—the great indicator of the dissemination of information and knowledge—we produce forty-three per cent., and consume fifty per cent. of the world total.

And in those articles which we do not produce at home, because of climatic and soil conditions, it is America's buying that sustains the industrial and financial structure of countries that produce **silk**, or **rubber**, or **coffee**.

In America, in the space of a single generation, we have developed that agency which has proved to be the greatest addition to earning power and the greatest source of healthful individual pleasure that the world has ever seen—the automobile. And we have shown a marvellous adaptation of an entire nation to such an agency, by producing ninety-two per cent. of the world output, and using at home ninety per cent. of the world automobile equipment.

These are great and solemn evidences of a leadership in industrial and social progress, the full splendor of which is still too close for us yet to properly appraise.

And when one looks for the operative causes for this exceptional translation of Nature's great possessions into man's ser-

vice, we find that it rests securely upon an industrial philosophy which is distinctly and peculiarly American, also. This industrial philosophy is one which both from conviction and from necessity has placed an extraordinary value upon human labor, by enlarging the product of human hands with every invention and mechanical device which great originality and genius could devise. There was so much to do in this vast empire, and so few, relatively, to perform the task, that there has been a constant economic pressure for the release of manual labor by the ingenious devices of man's cunning brain. It needs only a few instances to show you what is meant by America's unique industrial philosophy of thus enlarging the output of every single worker.

In steel, in thirty years the annual production per worker of 267 tons has risen to 709 tons.

In gasoline, in twenty years, the annual production per worker of 23,000 gallons, has risen to 71,000.

In bituminous coal, in twenty years the daily output per worker has risen from less than three tons to over four.

And so through glass, and silk, and cotton, and shoes, and paper, and even the publication of newspapers, as well as through the agricultural processes, this

peculiar philosophy has achieved successive triumphs until, with relatively fewer workers, we steadily increase industry's contribution to living possessions. These workers are not released to unemployment, but to the service of enlarged old industries and the establishment of new ones, which only thus could find the personnel to preserve and increase the flow of articles of common use from the industries of this country.

The crowning example of this process shows in the automobile industry, where in less than ten years the annual output of one and one-half cars has risen to an average of over four cars per worker employed.

The economies of production costs which this mass production of America insures and the security of employment which this enlarged competition for workers' services itself assures, is the base on which is sustained the constantly rising tide of American production which evidences itself on every hand.

There is a deep meaning in the indicator of distribution which successive week-after-week of railroad car loadings in excess of a million cars now confirms, and beyond those record figures of the enormous rail distribution, runs also the new distribution service of fifteen hun-

dred thousand motor trucks on the newly-built hard-surfaced highways of this country.

The American genius for low-cost production runs also into the avenues of transportation. Nature favored this country with the Great Lakes water highway, reaching into the heart of this country. It placed, dependent on those lakes, great deposits of iron and copper, vast forests and fertile fields, all sources of products which could be fabricated into human service. On that thousand miles of water highway, American ingenuity devised a special type of carrier which discarded the precedent of vessel construction of older lands, found a way to combine safety and economy of handling and carriage until the Great Lakes today afford the lowest transportation service in the world. And then came men of inventive resourcefulness in handling appliances and facilities to serve those carriers, developed with economy of time and labor and power expense, until ten thousand tons of ore could be loaded on a steamer in a single hour; until a grain cargo of three hundred thousand bushels can be put aboard in a single day, and until coal could be lifted from the vessel, transferred across the dock, and placed in the outbound railroad car for less than five cents per ton.

Contrast that with the ports of Europe, where coal is carried into waiting steamers, bag by bag, on the bent backs of both man and woman labor.

And in the transportation on our railroads, the same resourcefulness in effecting economies of avoidable cost has evidenced itself. The railroad car of 1870 was sixty-five per cent. of dead weight, and thirty-five per cent. of earning load; while to-day railroad cars of special types are twenty per cent. only of dead weight of car, and eighty per cent. of earning load. No similar accomplishment has been recorded on any of the State-owned railways of Europe.

The effect of these economies and the increasing scale of production and distribution and consumption on which human opportunity and earnings rest, is written not only in the aggregate of national wealth created, but in the increase in only the last ten years of savings accounts in this country from six billion to fourteen billion dollars, and of National bank resources from six billion to seventeen billion.

But if you ask what evidence we have that America's great wealth and earnings and savings, are fairly and justly apportioned among our people, we have again some measures that indicate the an-

swer may be convincing, indeed, and will stir an emotion of national pride. Earnings per worker in the manufacturing industry, show average increases of 100 and then again 200, and then still again 300 per cent. during the progress of this industrial development. But I would prefer to rest the claim of just and equitable distribution of wealth and buying power in this country on the vast figures of the flow of commerce and distribution. In twenty years, our population has increased forty per cent., yet our factory volume-production has more than doubled. With that evidence of enlarged ability to buy and consume more, per capita, runs also confirmation of the swelling stream by the mounting railroad car movement and other channels of distribution of every kind. Is it not reasonable then to assume that the very existence of that great volume of factory production and that great flow of distribution shows that wealth and buying power are widely distributed, in the hands of millions and millions of consumers, for no such volume could be marketed were the ability to buy confined to a fortunate wealthy few?

Now, if these tests and indicators show the magnitude of America's industrial leadership; if those tests indicate as well a social system in which the general level

of possession is clearly rising and secure, then they suggest a deeper meaning, which carries an accent of almost startling significance.

Generations have taught the truth that poverty, itself, is the major cause of sickness, suffering, and sometimes death; and, more, that poverty is the mother of criminals, and destitution the incentive to crime. For centuries, the effort of the world has been to reduce and to eliminate poverty, from which springs crime and social degeneration. In furtherance of the effort for this attainment there have been constructed social theories for the forced legislative distribution of property which, in recent actual practice, have only written an added chapter of human misery and disappointment. Within the last five years the great experiment of communism, in the effort to apportion the national wealth of Russia so as to eliminate individual poverty, operated instead, to cause the actual destruction of National wealth, and the steady deterioration of one hundred and fifty million people, until they approach again the living standards of utter barbarism, with misery, despair and death.

Against these theories and contrasted with that proven destruction, is it not inspiring indeed, that here in America,

American individualism has achieved so much of social progress and individual and National accomplishment? Indeed this advance may prove the very outpost of the social progress that will eliminate entirely the age-old horror of want and destitution. So clear is this progress written in America, so clear the acceleration of advance in the security of individual living in the American home, that it requires not so much thoughtless daring as rather, accurate appraisal of national progress to forecast that America is within striking distance of accomplishing, the quest of many centuries of social effort, the utter and absolute elimination of poverty. It is within the possibilities that this may now be actually attained within a single decade, or at most a single generation.

The chief glory of America may yet rest in history that, through its own political, social and industrial philosophy and practice, America achieved the utter defeat of poverty and destitution, and charted the course for the great world to follow in building, secure and high, the general level of human happiness.

The full attainment of this goal may be delayed or deflected by ignorant or vicious violations of that sound economic law, on which must rest the advancing

level of common possession, and the just distribution of that possession, which the elimination of poverty itself would ultimately evidence. Those violations of economic law become then social injuries, that work their harm across every threshold.

There would thus be social injury when organizations of workers, by power of combination, bar the adaptation of labor-saving machinery, or put restrictions on individual effort or accomplishment during hours of labor, or force the dead level of compensation which destroys the incentive to superior individual performance.

There would thus be social injury if the directors and managers of industry, by combination or agreement, defeat the economic pressure for energy and economy in administration, or by such combination levy an unfair toll on the processes of commerce.

Wage scales, and business earnings, forced by arbitrary power, out of step with the advancing front of healthful industry, would play a part in holding back the day when America may proudly challenge the world to find, within its borders, poverty or destitution which is not the fault solely of criminal or mental defect.

There would thus be also social injury

when political or governmental authority injects itself, unwisely, into the processes of industry, with resultant stifling of initiative and destruction of efficiency.

Legislative proposals that breed distrust, and apprehension, causing the disorganization of industry with resultant unemployment; waves of thoughtless political action, electing incompetent and ignorant men to office, by voters temporarily blind through unreasoning resentment at real or fancied wrongs; unenlightened or insincere National isolation that would raise no hand to help solve the problems of our overseas customers, upon whom rests a great part of our industrial activity; ignorance and envy, displayed through unequal and unwise tax laws which stifle the spirit to venture into enterprise,—all these things work to hold back the fulfillment of America's manifest social and industrial destiny, and therefore all these things become social injuries to every citizen.

In this picture of America's progress and of its manifest destiny, is no repellent Frankenstein of uninspired efficiency, but rather a vision which gives meaning and purpose to the daily effort, whether at the desk of management or at the bench of labor. It runs square with the soundest policies of industrial management, because healthy profits are the very life-

blood of industrial life on which this whole progress must be based.

It runs true also to the self-respect and proper compensation for every worker, because this progress rests on the fair distribution of profits of industry, through the natural processes of selection, and a recognition of the value of productive effort.

How cheap and paltry it makes the all too common cry which stamps work with the stigma of ineffective bondage, rather than as the badge of individual self-respect and of loyal service in a common cause.

If thus, this ultimate goal of America's material progress is invested with the idealism which robs it of any sordid and selfish aspect; if it is attainable largely because the political philosophy incorporated in our Constitution is itself the guarantor of accomplishment,—then there devolves upon all citizens a new and solemn responsibility. There must be preserved in America the conditions under which this splendid material progress has been created. The political philosophy which had its cradle here in New England, resting on the conception that Government owed a prime obligation to preserve the equality of opportunity for individual effort, is a precious posses-

sion for us and for all the world as well. Its preservation gives fresh courage and fresh inspiration against the assaults of those who would inject Government into the natural processes of trade and the individual activities of its citizens.

With the growing complexity of our National progress and its social relations, we realize that the relation of Government and Industry must be ever under study and re-survey. The one absolute necessity is that, whatever those relations, there shall be preserved for the individual, himself, the largest measure of fair play and the largest field of opportunity in which he can, without injury to his fellows, work his own destiny, by his own character, ability and effort. That way, surest lies, National accomplishment, which after all, is only the aggregate of individual attainment.

Government can, and should be, helpful. Government by ignorance, and by the influence of political considerations only, too often becomes harmful or destructive. The average citizen of America is fairminded and intelligent. He needs the truth, and the facts on which that truth is made convincing. That is the special field of service for organizations such as yours, and ours, that misstatement, half-truths, and selfish warp-

ing of the truth, shall not go unchallenged to influence, unwisely, public opinion on which Government itself must rest.

The Chamber of Commerce of the United States believes that team play between Government and Industry may hasten the day of National well-being, when no citizen shall suffer the fears and apprehension which poverty itself creates. It believes that Organized Industry, through a central body at the seat of Government, equipped with accurate information, and moved by high ideals, may greatly further team-play which makes for such attainment. We feel we have a right to rest on organizations such as yours, with a solemn pledge on our part that, as far as human ability and effective organization can provide, this field of opportunity will be preserved and defended for the coming youth who have their part then to play in National accomplishment, as well.

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